



3 Hot Stocks to Watch in October

Description

If you're a Motley Fool investor looking for some hot stocks to consider this fall, now is a great time to do it. The **S&P/TSX Composite Index** has been falling thanks to inflation and the **Evergrande** crisis. However, that also means there are undervalued stocks to consider before a quick rebound. That includes strong companies I would then hold for decades on the TSX today. So, let's look at three options Motley Fool investors may like to consider.

Bombardier

Bombardier ([TSX:BBD.B](#)) is a strong company to consider after a flurry of [announcements](#) in the last week. Bombardier stock recently announced it would be selling its trains and commercial aircrafts to focus on its private jet line. Last week, it continued this initiative by announcing an upgrade for its Challenger 3500 series — an update from the Challenger 350. This was followed by a purchase of 20 new jets for an estimated total of US\$534 million! Furthermore, analysts believe this future is bright for Bombardier stock. Some predict a backlog worth around \$13 billion is likely to occur by 2022.

Yet the company is a strong buy on the TSX today, remaining one of the hot stocks of 2021. Sure, shares are up a whopping 550% in the last year. However, it still trades at just \$2.21 as of writing. Furthermore, this is far away from its all-time highs, even highs seen just a few years back! So, Bombardier stock is one of the hot stocks that could double in 2021 or beyond. And it's one to watch, as further deals are likely in the month of October.

GFL Environmental

Analysts continue to bolster **GFL Environmental** ([TSX:GFL](#)) thanks to an enormous [acquisition](#) pipeline within the waste sector. The company recently updated its merger and acquisitions plans last week, announcing it has 31 acquisitions closed this year to date alone! And another acquisition to close in mid-October. Excluding a recent acquisition of Terrapure, the company recently reported \$340million in revenue this year. One analyst bolstered GFL's outlook for its EBITDA projections to \$1.43billion in 2021 and \$1.7 billion in 2022.

Analysts believe GFL will be an outperformer this year, with a potential upside of 15% in the next year on average. Analysts across the board believe the stock will continue to outperform on the TSX today. It provides a significant opportunity thanks to this pipeline of activity, while also remaining committed to further acquisitions in the future. Shares are up 55% this year alone for one of the hot stocks you'll want to watch in October.

Ag Growth International

Finally, Motley Fool investors will want to watch hot stocks in the farm and heavy construction machinery sector in October and beyond. But **Ag Growth International** ([TSX:AFN](#)) offers a significant opportunity. There has been an acceleration in its backlog, from both the U.S. and around the globe. In fact, the growth is so significant that one analyst bumped his EBITDA prediction from \$1 million to a whopping \$44 million! Yet that's still lower than the \$51 million average!

Steel continues to be a strong growth prospect, as construction ramps up post-pandemic. The price of steel and AGI have both risen by leaps and bounds in the last year alone. The backlog continues to build, as crop prices soar and supply remains low. This may lead to the company considering investment in several areas where demand is intense, such as increasing its investment in Brazil and India. Shares of the company remain stagnant, but analysts believe the company has a potential upside of 80% at these share prices.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. TSX:AFN (Ag Growth International)
2. TSX:BBD.B (Bombardier)
3. TSX:GFL (GFL Environmental)

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